

SITUATION IN VIETNAM

Since the initial clash between government forces and troops of the Binh Xuyen gangster organization on 30 March there have been no serious hostilities, but neither has there been any indication of a willingness to compromise on the part of either side. The government's assent to successive truce periods proposed by French and American representatives has been largely dictated by the blocking moves of the French army rather than by a conciliatory disposition toward the Binh Xuyen and toward the general problem of the sects.

Premier Diem continues to feel that the Binh Xuyen's actions and in particular the continued tenure of Lai Van Sang, a Binh Xuyen man, as Chief of the National Police are intolerable, and he would undoubtedly be willing to run the risks involved in a determined attack on the Binh Xuyen but for French opposition.

Diem's firm position has alarmed not only the sects but even some of his supporters in the cabinet. Several of them have tentatively submitted their resignations and Diem is depending for advice almost exclusively on his immediate circle, among which his brothers are the most prominent. Criticism leveled against Diem has come from such highly respected nationalists as Phan Huy Quat and Tran Van Do, the foreign minister.

The French government has for some weeks been urging a joint French-American demarche to Bao Dai on the ground that Bao Dai alone is capable of solving the current crisis in view of his hold over the sects. Ely, however, told Collins on 7 April that the sects might prove unresponsive to Bao Dai's suggestions.

Ely bases his objection to Diem largely on the ground that Diem no longer has local support except that which Ely and Collins have given him. Actually, the balance of forces between Diem and the sects has not shifted against the government. Two out of four Hoa Hao generals are at least nominally aligned with the government. Both of the Cao Dai generals have pledged their loyalty. The French claim this was no more than a maneuver but American observers believe that at least they will not fight against Diem. Diem's cabinet remains largely intact except for the resignations of his defense minister and the anti-government Hoa Hao representatives. Others, who have tentatively resigned have not actually left the cabinet.

General Collins has reported his conviction that Diem does not have the capacity to achieve the necessary unity of purpose and action from his people which is essential to prevent Vietnam from falling under Communist control.

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